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BEFORE THE ARIZONA CORPORATION

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ARIZONA CORPORATION COMMISSION
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IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
ITS OPERATIONS THROUGHOUT THE STATE
OF ARIZONA.

DOCKET NO. E-01933A-12-0291

**NOTICE OF FILING PROPOSED
FORM OF PUBLIC NOTICE**

On August 3, 2012, the Arizona Corporation Commission's ("Commission") Utilities Division Staff ("Staff") and Tucson Electric Power Company ("TEP"), filed a Joint Request for Procedural Schedule in the above-captioned matter. For the convenience of the Commission, TEP has prepared the attached form of Public Notice for this matter that Staff has reviewed and approved.

RESPECTFULLY SUBMITTED this 6th day of August, 2012.

TUCSON ELECTRIC POWER COMPANY

By

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Attorneys for Tucson Electric Power Company

1 Original and 13 copies of the foregoing
2 filed this 6th day of August, 2012, with:
3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007
7
8 Copies of the foregoing hand-delivered/mailed
9 this 6th day of August, 2012, to the following:
10 Jane Rodda, Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 400 West Congress
14 Tucson, Arizona 85701
15
16 Robin R. Mitchell
17 Charles H. Hains
18 Brian E. Smith
19 Legal Division
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007
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24 Steve Olea, Director
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26 Arizona Corporation Commission
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PUBLIC NOTICE OF HEARING
ON TUCSON ELECTRIC POWER COMPANY'S APPLICATION
FOR A PERMANENT BASE RATE INCREASE
(DOCKET NO. E-01933A-12-0291)

Summary

On July 2, 2012, Tucson Electric Power Company ("TEP") filed an Application with the Arizona Corporation Commission ("Commission") for a permanent base rate increase. The Application seeks a \$127.7 million increase in non-fuel base rates. As a result of this Application, the current monthly bill for the average residential customer, using 812 kWh per month, would increase from \$85.17 to \$98.58. The actual bill impact for individual customers that would result from the Application will vary depending upon the type and quantity of service provided.

In addition, TEP's Application seeks to establish: (i) a lost fixed-cost recovery mechanism related to energy efficiency and distributed renewable generation requirements; and (ii) an environmental compliance cost-recovery mechanism. TEP also is requesting elimination of certain rate options, modification to its rate design, including the structure of its Purchased Power and Fuel Adjustment Clause, and is proposing a new approach to funding cost-effective demand-side management and energy efficiency programs.

The Commission's Utilities Division ("Staff") is in the process of reviewing and analyzing the Application and has not yet made a recommendation regarding TEP's request. The Commission will issue a Decision regarding TEP's Application following consideration of testimony and evidence presented at an evidentiary hearing. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY TEP, STAFF, OR ANY INTERVENORS, AND THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM THE RATES REQUESTED BY TEP OR RECOMMENDED BY OTHER PARTIES.**

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the Application are available on the Internet via TEP's website (www.tep.com), at the Joel D. Valdez Main Library at 101 N. Stone, Tucson, Arizona, 85701, at the Commission's offices at 400 W. Congress Room 218, Tucson, Arizona, 85701 OR 1200 West Washington, Phoenix, Arizona, 85007 for public inspection during regular business hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning on _____, **2013 at 10:00 a.m. or as soon thereafter as practical**, in the Commission's offices, Room No. 222, 400 W. Congress, Tucson, Arizona. Public comments will be taken on _____, **2013 at 10:00 a.m.**, at the Commission's offices, Room No. 222, 400 W. Congress, Tucson. Written public comments may also be submitted by mailing a letter referencing Docket No. E-01933A-12-0291 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than _____, and send a copy of the motion to TEP or its counsel and to all parties of record. Contact information for TEP and the other parties may be found on the Commission's e-Docket website, referencing Docket No. E-01933A-12-0291. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of TEP, a shareholder of TEP, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to TEP or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before . All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law. For information about requesting intervention, visit the Commission's website at <http://wwwv.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail Sbernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Who to Contact if you have Questions

For further information on the TEP rate increase request and procedural schedule, please contact TEP at (520) 884-3742 or the Commission's Consumer Services Section at (602) 542-4251, or 1-800-222-7000

(outside the metro Phoenix area). For further information or assistance with intervention or how to make public comment, please contact the Commission's Consumer Services Section at (602) 542-4251, or 1-800-222-7000 (outside the metro Phoenix area).